

United States Bankruptcy Court
Southern District of New York

Debtors: Lehman Brothers Holdings Inc., et al.,
Debtors Case #: Chapter 11 Case No., 08-13555 (JMP) (Jointly Administered)

Title of Objection: One Hundred Seventy-Third Omnibus Objection to Claims (No Liability Employee Claims).

Claimant: Michael Collins

Claimant #: 15223

Date Filed 9/17/2009

Classification and Amount: UNSECURED: \$431,929.75

To Whom It May Concern,

This letter is written to the Court to strongly dispute the request of the above debtor to **DISALLOW** and **EXPUNG** their obligation to honor the above referenced claim (#15223). The Debtor suggests that this claim was filed for payment of deferred compensation and these are not liabilities of the Debtors.

The Court has already received from me a copy of the agreement dated 9/25/1985 which was used to support my claim. This agreement was signed by me and an authorized representative of the Debtor. It therefore, should be considered a binding document. I believe a review of this document will clearly articulate that the participants in this program are in fact, identified as unsecured subordinated creditors of the Debtor.

Further, I am attaching, for the Court's review a Memorandum from the debtor, dated 9/2/1985. This memorandum is a summary of terms and obligations of the ESEP program. Please note on page 5 this agreement states the following:

"Under your deferred compensation agreement, you will be an unsecured, subordinated creditor of Shearson Lehman Brothers with no rights under the insurance policy"

As the Court is aware, Lehman Holdings Inc., the Debtor, has assumed these obligations.

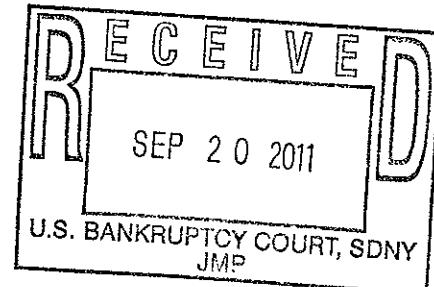
I ask the Court to deny the objection of the Debtors on the grounds that this deferred compensation plan is not a liability of the Debtor. All of the past written documentation received by the claimant suggests otherwise.

I look forward to the response of the Court. I can be reached by mail at the following address:

Michael Collins
19 Burr Rd.
Hull, Ma 02045
781-982-3612

Respectfully Submitted,

Michael Collins
Claimant #15223



Memorandum

Shearson Lehman Brothers Inc

Date: SEPTEMBER 2, 1985

From: ROBERT E. GENIRS
CHAIRMAN, ESEP COMMITTEE
To: MICHAEL COLLINSSubject: EXECUTIVE AND SELECT EMPLOYEES PLAN (ESEP)**SHEARSON
LEHMAN
BROTHERS**

An American Express company



This is a confidential invitation to participate in the Executive and Select Employees Plan (ESEP), a nonqualified deferred compensation program offered by Shearson Lehman Brothers to executives and other select high-income employees. We view this program to be one of the most attractive deferred compensation plans available in the securities industry.

The program is being offered this year to eligible employees. Shearson Lehman Brothers cannot guarantee that this type of program will be offered in subsequent years and, therefore, the firm reserves the right to amend or terminate this deferred compensation program due to unforeseen events.

Deferral Amount

Based on objective criteria established by the firm, you may elect to defer a **maximum amount*** of \$17,000 in each of the years 1985 through 1988 inclusive, for a total deferral commitment of \$68,000. You may elect to defer a lesser amount, rounded to the nearest \$1,000, but not less than \$5,000 per year. Your total deferral commitment is frozen and is not subject to change at a later date. The amount you defer represents pretax income and, therefore, will not be reflected on your W-2 income statement.

These deferrals may be made from future compensation payments including salary, bonus and/or commissions, beginning October 1, 1985 and ending December 31, 1988. Alternatively, if you are a participant in the Voluntary Deferred Compensation Plan ("VDCP"), you and the firm may agree to utilize certain amounts previously deferred under the VDCP to fund your ESEP deferral commitment.

Benefits

In exchange for your pretax deferrals as explained above, ESEP will provide an **11% compound return** from the date of deferral until one of the following events triggering payment:

- Retirement – a specific dollar amount payable in 15 equal annual installments commencing at any age after 55,
- Death – a benefit paid to your beneficiary which is equal to your retirement benefit, and
- Disability – an annual disability benefit of 37½ % of your total four year commitment.

*If this offering is oversubscribed, Shearson Lehman Brothers reserves the right to reduce the maximum deferral amount on a pro rata basis.

Retirement

Deferrals until retirement will compound annually at 11% and will be paid to you in 15 annual installments commencing at retirement. Depending on the age at which you retire, which may be any age between 55 and 65, your installment payments will be adjusted accordingly.

The table below illustrates a range of projected benefits payable based on four \$10,000 annual deferrals (total of \$40,000).

Entry Age	Annual Installment Benefit For 15 Years			Total Benefit		
	At 55	At 60	At 65	At 55	At 60	At 65
	\$ 58,613	\$ 98,767	\$ 166,428	\$ 879,195	\$ 1,481,505	\$ 2,496,420
30	34,784	58,613	98,767	521,760	879,195	1,481,505
35	20,643	34,784	58,613	309,645	521,760	879,195
40	12,250	20,643	34,784	183,750	309,645	521,760
45	7,270	12,250	20,643	109,050	183,750	309,645
50	N/A	7,270	12,250	N/A	109,050	183,750
55	N/A	N/A	7,270	N/A	N/A	109,050
60	N/A	N/A	N/A	N/A	N/A	N/A

You may elect to accelerate these deferrals (see discussion under "Deferral Options"), and to the extent that you exercise this option, benefit payments will increase accordingly.

Death

If you die prior to commencement of benefits, your designated beneficiary will be paid the 15 annual installments you would have received as a retirement benefit at age 65, commencing as soon as practicable after your death.

If you die subsequent to commencement of benefits, your designated beneficiary will be paid the balance of the annual installments, if any, in the amount determined at the time benefits commenced.

Disability

If you become completely disabled, you will receive annual payments of 37½ % of your total four year commitment. Disability benefits will continue until either age 65 retirement or death benefits commence. For instance, if you elect to defer \$25,000 for each of four years, you would receive an annual disability benefit of \$37,500 until either retirement or death benefits commence.

Vesting - Early Termination of Employment

You will be fully vested in the ESEP after five years of plan participation. If you are no longer employed with the firm for any reason (other than retirement, death or disability) prior to five years of participation in ESEP, all amounts deferred to the date of your termination will be paid to you with interest credited at the lesser of 5% or the 30 day T-bill rate in a lump sum.

Deferral Options

You may fund your total deferral commitment through two sources - certain amounts deferred under the VDCP and/or future compensation payments.

VDCP Account

You and the firm may agree to utilize certain amounts previously deferred under the VDCP for purposes of funding 100%, 50% or 25% of your total ESEP deferral commitment. This method of funding must be requested before September 13, 1985; otherwise deferrals must be made out of future compensation.

Your account balance under the VDCP as of June 30, 1985 is \$ - 0 -

NOTE: Any accelerations of deferrals will begin to accrue interest immediately, thereby increasing your benefit payments accordingly.

Examples:

<u>Age</u>	<u>Deferral</u>	<u>15 Annual Payments at 65</u>	<u>Total Payments</u>
29	\$10,000 per year for four years	\$ 184,735	\$ 2,771,025
	\$40,000 in 1985	214,576	3,218,640
39	\$50,000 per year for four years	325,303	4,879,545
	\$200,000 in 1985	377,853	5,667,795
49	\$25,000 per year for four years	57,283	859,245
	\$100,000 in 1985	66,537	998,055

The balance of your total commitment must be funded with future compensation payments as discussed in the following section.

Future Compensation

Deferrals may be made in equal monthly installments during the defined periods or during two window periods in which accelerated payments are permitted. The schedules are designed to offer maximum flexibility in planning your deferrals and are listed below.

The first two deferral periods are: (1) October 1, 1985 through December 31, 1985, and (2) January 1, 1986 through December 31, 1986 - for a total of 15 months. You must defer at least 50% of your total commitment by December 31, 1986. In late 1986, you will be asked to choose your deferral schedule for the remaining two periods, 1987 and 1988. You must defer at least 25% in 1987 and 25% in 1988. The window periods referred to above (October through December 1985 and January through March 1987) provide an attractive opportunity to accelerate your deferral commitment for the express purpose of maximizing your retirement benefits.

Set forth below are several examples of potential deferral schedules:

1. 50% Equal payments October, November and December 1985
50% Equal payments January, February and March 1987
2. 50% Equal payments October, November and December 1985
25% Equal monthly payments during 1987
25% Equal monthly payments during 1988
3. 50% Equal monthly payments October 1985 through December 1986
25% Equal monthly payments during 1987
25% Equal monthly payments during 1988
4. 50% Equal monthly payments October 1985 through December 1986
50% Equal payments January, February and March 1987
5. 25% Equal payments October, November and December 1985
25% Equal monthly payments during 1986
50% Equal payments January, February and March 1987
6. 25% Equal payments October, November and December 1985
25% Equal monthly payments during 1986
25% Equal monthly payments during 1987
25% Equal monthly payments during 1988
7. 100% Equal payments October, November and December 1985

Distributions

Installment benefit payments will commence on the earlier of your elected retirement date, death or disability. **NO HARDSHIP WITHDRAWALS OR LOANS ARE PERMITTED UNDER ESEP.**

Insurability

Your eligibility for this program is dependent upon the firm being able to obtain an insurance policy on your life. At that time individual deferred compensation agreements between you and Shearson Lehman Brothers will be executed. In most circumstances, no medical examination will be required.

Tax and Benefits Implications

Generally, benefits are subject to income tax. Death benefits may be subject to estate taxation. We suggest that you consult with your personal tax advisor to assess the implications of your own situation.

Amounts deferred under ESEP will not be included in determining benefit entitlements under other Shearson Lehman group insurance and deferred compensation plans. For example, deferrals which reduce taxable compensation to less than \$300,000 will result in a reduction in pension benefit accruals for the year in which deferral occurs.

Other

Under your deferred compensation agreement you will be an unsecured, subordinated creditor of Shearson Lehman Brothers with no rights under the insurance policy. Shearson Lehman Brothers is the sole owner and beneficiary of the life insurance policy.

If because of changes in the tax law, Shearson Lehman Brothers is unable to provide the benefits outlined above, the value of your deferred compensation to date will be paid out to you according to one of the following elections:

- Immediate lump-sum payment
- Continued deferral until the earlier of retirement or termination of service

A schedule of seminars which will be held in New York is included in this package. Conference call meetings will also be scheduled at locations not sponsoring seminars so that you have an opportunity to review all terms and provisions of the plan and participate in question-and-answer sessions. Please withhold all questions until you attend a seminar or conference call meeting.

**ALL ELECTION FORMS MUST BE COMPLETED AND RETURNED NO LATER THAN FRIDAY,
SEPTEMBER 13, 1985 TO THE ATTENTION OF:**

Susan Curry, ESEP Committee, Benefits Department
Shearson Lehman Brothers Inc
125 Broad Street - 8th Floor
New York, NY 10004